

December 1, 2000

Helen Butts  
Clerk of the Circuit Court  
County of Clarke

Board of Supervisors  
County of Clarke

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Clarke for the period July 1, 1998 through September 30, 2000.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no material weaknesses in the internal controls. However, we noted noncompliance with state laws, regulations, and policies that the Clerk needs to address as described below.

#### **Collect Taxes on Wills and Administrations Before Qualification**

The Clerk does not collect taxes before qualifying individuals as an executor or administrator of an estate as required by Section 58.1-1715 of the Code of Virginia. The Clerk collects taxes after the executor or administrator establishes an estate bank account rather than requiring payment of taxes and fees before qualification. In five of ten cases tested, the Clerk permitted individuals to qualify before receiving payment and subsequently receipted \$10,263 in taxes and fees. The Clerk has a statutory responsibility to collect taxes using the estimated value of the estate before permitting an individual to qualify.

We discussed these comments with the Clerk on December 1, 2000 and we acknowledge the cooperation extended to us by the court during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:whb

cc:     The Honorable J. R. Prosser  
          Bruce Haynes, Executive Secretary  
          Compensation Board  
          Don Lucido, Director of Technical Assistance  
          Supreme Court of Virginia  
          Martin Watts, Court Analyst  
          Supreme Court of Virginia  
          Paul Delosh, Technical Assistance  
          Supreme Court of Virginia